The Development of Commercial Bank E-Commerce Finance’s SWOT Analysis

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Abstract. With the expansion of the scale of China’s e-commerce market, more and more commercial banks began to enter the field of e-commerce. Changes in the development of high-tech products and technology is subversive and revolutionary, the concept of commercial banks is gradually changing to a virtual bank. With the rapid development of the electricity business finance, scholars from various countries around the world have begun to analyze and research it. In this paper, the SWOT analysis method is used to analyze the opportunities and threats faced by China's commercial banks in the development of financial business, and put forward countermeasures for it.

Introduction

In recent years, the growing number of online shopping market spawned a growing number of financial needs, some of enterprises which involved in electronic business platform are also need more efficient and convenient financing services. At the same time, the speeding up of the marketization of interest rate spreads narrowed, intermediary business has become a new growth point of commercial Banks. Banks are having more and more fierce competition, commercial bank is facing a competition between modern technology and traditional financial sector. The integration trend of online and offline is more obvious, Banks and electrical manufacturers are both looking for more profit space in the supply chain finance.

The Concept of Ecommerce Finance

The ecommerce finance is a combination of e-commerce and financial products. Refers to the P2P network and the electricity supplier to provide financial services; for example, Internet payment currency, Internet credit, supply chain finance, pre-sale order financing, cross-border cooperation finance, intermediary business, currency exchange, payment instruments, mobile payments and other financial services. The e-commerce finance uses historical transaction information and other external data, it becomes big data. And the use of advanced technology such as cloud computing, under the condition of the controllable risk, when consumers, suppliers, insufficient funds and financing needs, by the electric business platform to provide guarantee, will provide funding to the demand side. E-commerce takes credit as prerequisite and takes law as the safeguard. It is based on the implementation of the electricity business platform services and legal. If the demander can not repay
on time, its activities on the electronic commerce platform will be limited, such as tripartite sellers will face the risk of closing the shop.

The Development Trend of E-Commerce Finance

In June 2013, Alipay and Celestica fund jointly launched a monetary fund products, the name is called "balance of treasure", which targets directly locked in retention in 16 trillion yuan of commercial bank deposits. Its low threshold, high yield characteristics make commercial banks demand deposits, commercial banks as the monopoly of the financial intermediation has gradually been weakened. The rapid development of electronic commerce in China makes the banking industry change its service manners and sectors possible. Banks use modern network technology to change their traditional marketing model, is no longer rely on the establishment of outlets to attract more customers to the marketing channel, but to dig more potential customers from online. Traditional commercial bank with its capital advantage, have developed e-commerce platform, such as industrial and Commercial Bank of China as early as in 2000 officially opened for B2B e-commerce online payment transaction mode, has become the largest e-commerce online payment service providers. In addition, the Construction Bank China's e-commerce financial service platform -- "good financial business" as the first bank line of electronic business platform, and it launched the loan issuance of 3 billion per year. Followed by the Bank of communications and Alibaba jointly launched the "Bank of Communications Taobao Flagship Store", Bank of Communications also launched themselves for a new generation of online store, "Bo". Five major state-owned commercial banks have established a credit card mall or online shopping mall. According to statistics, nearly 70% of the joint-stock banks to carry out Dealer Business, provide more extensive and advanced services, such as online banking and credit card payments, online payment, online shopping mall etc. In 2014, China's e-commerce market transactions are huge. According to the Ministry of commerce is expected in the next few years the growth rate of China's e-commerce transactions will be maintained at more than 20%, in 2015 is expected to exceed 15 trillion yuan. Expected by 2018, the transaction size will reach 24 trillion yuan.

SWOT of Banking Dealer Business

SWOT is a competitive situation analysis method, through enterprise evaluation of strengths and weaknesses (a), competitive market opportunity (opportunities) and threats (threats). By using this method, we can make a comprehensive, systematic and accurate study on the situation of commercial banks to set foot in the financial position of the electricity suppliers.
4.1 Strengths and weaknesses

There are many strengths. For example, the support function of the bank's traditional advantage to the development of electronic commerce; risk management and control experience; market position and channel position are basically formed; facilities complete, dense network distribution; extensive customer resources, brand influence and appeal. There are also many weaknesses; for example, slow financial products innovation, product homogeneity; pricing policy is unreasonable, the threshold price is high; channel single payment; failed to master the big data platform; internal management mechanism is not perfect; e-commerce business profitability is low; lack of operational efficiency.

4.2 Opportunities and threats

There are many opportunities; for example, Network sales might not play. As the main channel effect of potential customers to play effect, pay remained competitive e-commerce opportunities. The application of high technology in the field of finance has just started. Supply chain finance is a huge market and potential; Cross-border services become possible. There are also many threats; for example, Commercial bank deposits will be partially eroded; Information law is not perfect; The formation of financial innovation environment will be a huge challenge.

Measures

5.1 Commercial banks should clearly understand its importance and necessity.

It should use a variety of channels to assist the development of e-commerce, so that the development of the banking business more smoothly. Attract open, application oriented, integrated resources, to carry out cross-border banking financial services. People oriented era, is a priority to the customer experience the supremacy of the times, is a highly competitive era. The development of electronic commerce should focus on humanity, only focus on the customer experience, according to the different needs of different preferences of customers, make personalized scheme is suitable for different risk characteristics, to firmly seize the customer resources.

5.2 Attempt to build financial services as the core, to provide diversified services to the electronic banking platform.

With the continuous development of society, people's demand is increasing. Similarly, for traditional banking, customers also made more demands, they need to be more comprehensive, more comprehensive financial services. Therefore, the electronic commerce platform of commercial banks should create key customer groups. Public financial services covers information, online trading, payment, financing services, credit card installment, transactions funds trusteeship package of financial services. This can meet the different needs of different customers, and strive to enhance the customer experience.
5.3 Focus on Commodity E-commerce Market

At present, many domestic investors keen on commodity trading. The fund is stored in the trading market, its security is not guaranteed, but the financial supervision of commercial banks have a certain guarantee. Therefore, if the commercial bank can provide credit guarantees for corporate customers and individual customers, which will improve the safety of commodity trading market, meanwhile, it also provides online payment and settlement functions, to meet the financing needs of the commodity.

5.4 As soon as possible to perfect the relevant laws and regulations, establish a sound regulatory system

Internet banking regulatory issues still need to be further processed. Only the government, enterprises, banks and users together to participate in, in order to create a green, healthy network consumption environment, and promote the deepening of the application of Internet users business class.

References


